

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2502 - SB 2874

February 16, 2022

SUMMARY OF BILL: Authorizes a member of the Tennessee Consolidated Retirement System (TCRS) to purchase retirement credit for the time the member was a full-time employee participating in a political subdivision's defined benefit pension plan. Entitles the member to use cash, a deferred compensation account, a defined contribution employee account, or contributions to a defined benefit plan to purchase creditable service. Prohibits a member from receiving a benefit from the political subdivision's retirement plan once retirement credit in TCRS has been purchased.

FISCAL IMPACT:

NOT SIGNIFICANT

Assumptions:

- A member of TCRS who purchases creditable service will be required to pay a lump sum payment equal to the actuarial cost; therefore, there will be no increase in unfunded liability to TCRS.
- The purchase of retirement credit must come from employee contributions, and local government employer contributions will not be impacted; any impact to local government is not significant.
- TCRS will ensure compliance utilizing existing resources; therefore, any fiscal impact on state government is considered to be not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner".

Krista Lee Carsner, Executive Director

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